



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

[Transmittal No. 17-77]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Pamela Young, (703) 697-9107, pamela.a.young14.civ@mail.mil or Kathy Valadez, (703) 697-9217, kathy.a.valadez.civ@mail.mil; DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 17-77 with attached Policy Justification and Sensitivity of Technology.

Dated: February 12, 2018.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203

ARLINGTON, VA 22202-5408

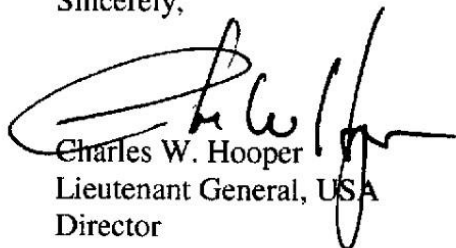
The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

FEB 05 2018

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 17-77, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Finland for defense articles and services estimated to cost \$112.7 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,


Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 17-77

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Finland

(ii) Total Estimated Value:

Major Defense Equipment*	\$92.6 million
Other	<u>\$20.1 million</u>
TOTAL	\$112.7 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Sixty-eight (68) Evolved SEASPARROW Missiles (ESSM)

One (1) ESSM inert operational missile

Non-MDE:

Also included are seventeen (17) MK25 quad pack canisters, eight (8) MK783 shipping containers, spare and repair parts, support and test equipment, publications and technical documentation, training, U.S. Government/Contractor engineering, technical and logistics support services and technical assistance, and other related elements of logistical support.

(iv) Military Department: Navy (FI-P-LBP)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: February 5, 2018

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Finland – Evolved SEASPARROW Missiles (ESSM)

The Government of Finland has requested a possible sale of sixty-eight (68) Evolved SEASPARROW Missiles (ESSM) and one (1) ESSM inert operational missile. Also included are seventeen (17) MK25 quad pack canisters, eight (8) MK783 shipping containers, spare and repair parts, support and test equipment, publications and technical documentation, training, U.S. Government/Contractor engineering, technical and logistics support services and technical assistance, and other related elements of logistical support. The estimated total case value is \$112.7 million.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a partner nation that has been, and continues to be, an important force for political stability and economic progress in Europe.

Finland intends to use the missiles on its new Squadron 2020 class Corvette ships. The missiles will provide enhanced capabilities in effective defense of critical sea lanes and improve Finland's capability to meet current and future threats of enemy anti-ship weapons. Finland has not purchased ESSM previously, but will have no difficulty incorporating this capability into its naval forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors will be Raytheon Missile Systems (RMS) Tucson, AZ, for the missiles, and BAE Systems, Aberdeen, SD, for the missile canisters. The purchaser typically requests offsets. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will require up to 12 U.S. Government personnel to travel to Finland providing support over a period of five years.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Evolved SEASPARROW missiles (ESSM) includes the guidance section, warhead section, transition section, propulsion section, control section, and Thrust Vector Control (TVC) of which the guidance section and transition section are classified CONFIDENTIAL. Standard missile documentation will include:

- a. Parametric documents (classified CONFIDENTIAL)
- b. Missile Handling/Maintenance Procedures (UNCLASSIFIED)
- c. General Performance Data (classified CONFIDENTIAL)
- d. Firing Guidance (classified CONFIDENTIAL)
- e. Dynamics Information (classified CONFIDENTIAL)

2. The Evolved SEASPARROW Missile (ESSM) contains SENSITIVE technological information and/or RESTRICTED information in the missile guidance section. Certain operating frequencies and performance characteristics are classified SECRET because they could be used to develop tactics and/or countermeasures to reduce or defeat the missile effectiveness.

3. If a technologically advanced adversary were to obtain knowledge of specific hardware, the information could be used to develop countermeasures which might reduce weapons system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that Finland can provide substantially the same degree of protection for sensitive technology being released as the U.S. Government. This proposed sustainment program is necessary to the furtherance of the U.S. foreign policy and national security objectives outlined in the policy justification.

5. All defense articles and services listed on this transmittal are authorized for release and export to the Government of Finland.